

## **REMARKS**

### **Regarding the Examiner's Remarks**

Claim 19 has been amended to clarify certain functional interrelationships. Further, claims 23, 34 and 39 have been amended to indicate that the purchase parameter(s) is predefined by the customer, an advantage that is not taught by the prior art. As such one of skill in the art would not consider the invention as claim obvious in view of the art of record.

As generally recited in the claims, the "purchase parameter" is predetermined by the customer who may be "a consumer of goods or services". The Examiner, however, argued that Pierce, at Col 1, ln 16+, teaches the use of such purchase parameters. Applicant respectfully disagrees. Pierce is directed to methods that assist credit card issuers, not customers/consumers, to control potential losses. This fact is made plain by Pierce in several places, for example:

"In accordance with these and many other objects, the subject invention provides for a system wherein the issuer of bank cards can regulate the number and nature of authorization requests which are received from a merchant" See Col. 3, ln 32-36.

"By this arrangement, the issuer, which bears the costs of the authorization requests, can tailor the parameters to suit its particular needs". See Col. 3, ln 51-53.

Customer determination of a "purchase parameter" grants that customer a level of control and security not found in the prior art. Therefore, given the silence of Pierce, alone or in combination with Lawlor, to teach the use of a customer predetermined "purchase parameter", Applicant submits that one of skill in the art would not consider the claims of the present application to be obvious in view of those references or the other prior art of record.

**Section 112, Second Paragraph**

The Examiner has rejected claims 26, 27 35, 36 and 39 under Section 112, second paragraph. Specifically, the Examiner suggested that Applicant's use of the phrase "dollar limit threshold" in claims 26, 27, 35 and 36 would not be understood by one of ordinary skill in the art. The Examiner as also argued that Applicant's use of the term "system" in claim 39 has connotations that cross over the statutory categories of both a method and an apparatus.

Applicant has amended claim 39 to positively recite an "apparatus" claim. A similar amendment has also been entered with respect to claim 23. However, Applicant respectfully disagrees with the Examiner's arguments regarding the "dollar limit threshold".

Regarding claims 26, 27, 35, 36 and 39, the phrase "dollar limit threshold" is associated with a customer's purchase parameter. According to the MPEP, the test for definiteness under 35 U.S.C. 112, second paragraph, is whether "those skilled in the art would understand what is claimed when the claim is read in *light of the specification*." See M.P.E.P. 2173.02 (August 2005)(quoting *Orthokinetics, Inc. v. Safety Travel Chairs, Inc.*, 806 F.2d 1565, 1576, 1 USPQ2d 1081, 1088 (Fed. Cir. 1986)(*emphasis added*)). Therefore, the phrase "dollar limit threshold" must be interpreted in light of the specification.

The specification, on page 6, uses the phrase "dollar limit threshold" in relation to the purchase of goods or services (see also preamble of claim). Specifically, the specification states that "[t]he purchase parameters 33 permit the customer to select a dollar limit threshold for any single purchase, a dollar limit threshold for all purchases within a single day ...". From this passage, one of skill in the art may easily understand the phrase "dollar limit threshold" to be synonymous with a "not to exceed point" or dollar maximum for purchases. Therefore,

Applicant respectfully requests the withdrawal of the Examiner's rejections under Section 112, second paragraph.

**35 USC 103(a)**

Finally, the Examiner has asserted that Pierce in view of Lawlor render claims 34-37 and 39 obvious to one of skill in the art. Applicant again continues to respectfully disagree.

As presently presented, claim 34 is directed to a method for administering payments for transactions made by a customer. The method includes a customer file having a purchase parameter and a merchant file having a merchant account number.

However, as stated above, Pierce is directed to a system to protect credit card issuers, not credit card customers. Pierce discloses the use of Issuer Parameters 40 as part of the Data Control Center 10 and states that 1) merchants and issuers are linked to the Center 10 and 2) merchants may transmit a request for approval to the Center 10. Pierce does not teach the use of a customer predetermined purchase parameter.

Regarding Lawlor, the Examiner referred to the second paragraph of the text set forth below to suggest the use of a merchant approval program being operable to query the purchase parameter, etc.:

The settlement module 80E provides for flexible cutover times for the network and payee institutions. In addition, this module updates databases files and initiates daily reports by the reporting module.

Reporting involves the calculation and reporting of debits and credits and adjustments for the transactions performed on a daily and periodic basis. In addition, system and network activity, reconciliation, interchange settlement and disputed transaction reports are generated. The reporting module 80F in the preferred embodiment is conventional and operates in conjunction with a conventional database query program which permits analysis and specialized report generation concerning customer transaction profiles.

Lawlor, Col. 20, ln 40-53.

When viewed in context, it is clear that the text in Lawlor cited by the Examiner says nothing about a protocol for querying a customer's predetermine purchase parameters in response to a transaction approval request. Instead, the text is limited to a protocol for generating transaction reports.

Therefore, in view of the above, Applicant respectfully submits that Lawlor and Pierce, or the combination thereof, do not teach or suggest several elements of the claimed invention. Therefore, claim 34 (and any dependent claims) would not be considered as obvious by one of skill in the art in view of those references.

The Commissioner is authorized to charge any fee or credit in the overpayment in connection with this communication to our Deposit Account No. 07-1180.

Respectfully submitted,



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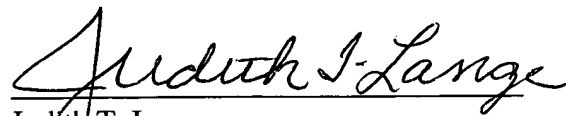


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